The man who does this beneficent work, increasing mankind's output of goods, and providing employment as long as the factory or railway that he helps to build is running, is induced to do so, as a rule, by the purely selfish motive of providing for his old age or for 'those who come after him by earning the rate of interest that is paid to him for his capital. What is this rate of interest going to be, and how much effect does it have upon the creation of capital ?

Some people argue that a low rate of interest makes people save more because it is necessary for them to save more in order to acquire independence. Others maintain that a high rate of interest induces people to save because they can see the direct advantage of doing so. Both these arguments are probably true in some cases. But, as a rule, people who have the instinct of saving will save, within certain limits, whatever the rate of interest may be. When the rate of interest is low they will certainly not reduce their saving because each hundred pounds that they put away brings them in comparatively little, and when the rate of interest is high the attraction of the high rate will also deter them from diminishing the amount that they put aside. Moreover, we have to consider, not only the money payment involved by the rate of interest, but its buying power

in goods. In 1896 trustee securities could only be bought to return a yield of 2]I per cent, for the buyer ; now the investor can get 5i^per cent, and more from the British Government. And yet the power that this 51 gives him over the goods and services that he